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Office of Policy (2128)

EPA Sustainable Industry Program



U.S. Environmental Protection Agency

Creating incentives and removing barriers... to achieve better environmental results

Sustainable Industry Program

Knowledge and Cooperation for Better Environmental Protection

A NEW APPROACH

The Sustainable Industry Program is a new approach to policy development within EPA's sector-based environmental protection programs. It is based on the premise that by studying an industry in close cooperation with corporate decision-makers, we gain a better understanding of the sometimes not-so-apparent reasons why businesses embrace or resist actions to protect the environment.

Once we know why business decisions are made in an industry sector, EPA can then shape policies that take advantage of incentives for exceptional performance and overcome obstacles to success. The result is a policy "roadmap" – for government, industry, and others – leading to long-term environmental improvement by businesses acting in their own interest.

WHO WE ARE

We are the **Industry Sector Policy Division** in EPA's Office of Policy Development.

Our mission is to help industry sectors improve environmental performance while easing the costs and burdens of regulation.

We work cooperatively with selected industry sectors to develop smarter EPA policies that lead to cleaner, cheaper environmental protection by government and industry.

HOW WE WORK

We begin by identifying industry sectors that offer substantial opportunities for further progress in cutting pollution impacts. If a sector is well-represented by trade associations and shows interest in technical and management innovations, then it is a promising candidate for a Sustainable Industry partnership.

Once we form a partnership, EPA and industry sector representatives join forces with community groups, environmental organizations, and other government agencies to study all of the sector's decision-making factors that affect its environmental performance. Together we look for solutions to problems. Businesses and government test promising ideas in pilot projects. Stakeholders evaluate the results. If the innovations prove to be effective, we work for their adoption.

OUR GOALS FOR EACH SECTOR

- 1. **Learn** the traits & trends, drivers & barriers that influence environmental protection decisions.
- 2. **Develop and test** new approaches that address the drivers and barriers modified regulations, new voluntary programs, R&D assistance . . .
- 3. Move forward with sector solutions that
 - improve the environment
 - make business sense
 - are supported by stakeholders
 - can be adopted by governments
- 4. **Change** EPA policies and procedures to embrace and "institutionalize" what works well.

OUTCOMES

Industry changes might come in the form of better management practices or new technologies. Changes by government could be revised rules, a shift from regulations to voluntary programs, streamlined process requirements -- all designed to achieve better results.

DRIVERS AND BARRIERS

Drivers are factors that encourage firms to make environmental progress in their operations.

They might include:

- Public recognition
- · Recovering useful products from wastes
- Government requirements

Barriers are factors that make it difficult for firms to reduce pollution, such as:

- · Lack of technologies or investment capital
- Older regulations that now stifle innovation
- Outdated business practices



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BENEFITS OF PARTICIPATION

- Better working relations between industry, government (all levels), and interest groups. Constructive dialogue builds trust.
- Better knowledge of the industries and the views of those who work in or with them. Sharing perspectives and ideas leads to greater understanding of opportunities.
- Partnership in solving problems. Test new approaches, new tools, and technologies.
- Smarter programs that achieve cleaner and cheaper results. More effective environmental protection with less oversight.

Current Sectors

Metal Finishing

The *Metal Finishing Strategic Goals Program* set voluntary "beyond compliance" performance goals for facilities:

- 50% reduction in water use, 25% reduction in energy use;
- 90% reduction in organic toxic pollutant emissions;
- 50% emission reductions for metals & hazardous sludges;
- 98% of metal inputs to be used in final products;
- reductions in human exposure to toxic chemicals.

The SGP also targets a 50% reduction in compliance cost burden for participating firms. A detailed action plan contains commitments from all stakeholder groups to meet these goals.

Specialty-Batch Chemical Manufacturing

The New Jersey Chemical Industry Project focuses on batch chemical manufacturing in a geographic region. Stakeholders have endorsed innovative projects for water effluent trading, compliance assistance, and materials recycling, plus a "flexible track" approach for facilities with good compliance records. These projects will lead to recommendations for federal, state, and local environmental improvements.

A National Specialty-Batch Chemical Sector Project also is underway with a segment of the chemical industry that manufactures intermediate and custom formulations as well as specialty end products. Driver-barrier analysis has begun.

Food Processing

EPA is working initially with the Meat Processing Sector to identify corporate decisionmaking trends, drivers, and barriers to improved environmental protection. Sector stakeholders have identified priority concerns and potential solutions for testing in pilot projects.

Metal Casting

Foundries, die-casters, and their trade associations are helping EPA learn, through facility visits and interviews, about factors that influence environmental performance in the metal casting industry. Driver-barrier analysis will identify problems and lead to the tesing of solutions.

Travel and Tourism

EPA will assess the environmental scope of this industry, including impacts and improvement opportunities in energy use, waste generation, and air pollution. Working first with Mountain Resorts, EPA will conduct driver-barrier analysis and assemble industry leaders to assess improvement options.

Photo Processing

Stakeholder partners are testing pollution prevention impacts of a voluntary code of best management practices for silver use.

New Sector / Environmental Technology Focus

Innovative environmental technologies can work better and cost less than traditional methods, but multiple barriers impede their development and use. EPA will use the Sustainable Industry process to analyze and address those barriers to innovation in a technology-rich sector.



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